

## Message Text

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PAGE 01 BRUSSE 14296 171914Z  
ACTION EUR-12

INFO OCT-01 IO-14 ISO-00 AGRE-00 AID-05 CEA-01 CIAE-00  
COME-00 EB-08 FRB-01 INR-07 NSAE-00 SP-02 STR-05  
TRSE-00 LAB-04 SIL-01 OMB-01 /062 W  
-----065951 180152Z /70

R 171903Z OCT 77  
FM AMEMBASSY BRUSSELS  
TO SECSTATE WASHDC 2555  
INFO ALL EC CAPITALS  
AMEMBASSY PARIS  
USMISSION GENEVA

UNCLAS BRUSSELS 14296

USEEC CORRECTED COPY

PASS AGRICULTURE ELECTRONICALLY  
PARIS ALSO FOR USOECD  
GENEVA ALSO FOR USMTN

E.O. 11652: N/A  
TAGS: EAGR, EEC  
SUBJ: EC GRAIN EXPORT SUBSIDIES

REF: (A) BRUSSELS 13119, (B) TOFAS 247

1. COMMISSION REGULATIONS NO. 2241/77 AND 2242/77  
(OFFICIAL JOURNAL NO. L 259 OF 10/12/77) REDUCED EC  
EXPORT SUBSIDIES FOR WHEAT FLOUR AND BARLEY MALT,  
EFFECTIVE OCTOBER 12, 1977. THE SUBSIDY FOR WHEAT FLOUR  
(ASH CONTENT 0 TO 520) WAS CUT FROM 107.50 TO 98.00 U.A./  
M.T.; SUBSIDIES FOR OTHER FLOUR QUALITIES WERE ALSO CUT  
BY 9.50 U.A./M.T. THE EXPORT SUBSIDY FOR MALT WAS  
REDUCED FROM 53 TO 40 U.A./M.T. THE CORRECTIVE AMOUNTS,  
WHICH ARE ADDED TO THE MALT EXPORT SUBSIDY, WERE NOT  
CHANGED.

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PAGE 02 BRUSSE 14296 171914Z

2. AN OFFICIAL IN THE COMMISSION'S GRAIN DIVISION SAID  
THE SUBSIDY CHANGES WERE MADE BY THE COMMISSION ON  
TUESDAY IN ADVANCE OF THE REGULAR THURSDAY MANAGEMENT  
COMMITTEE MEETING (WHERE THEY WERE SUBSEQUENTLY APPROVED).  
ISSUANCE OF EXPORT LICENSES FOR BARLEY MALT HAS BEEN  
VERY HEAVY SINCE THE SUBSIDIES WERE INCREASED ON

OCTOBER 1 (REF. A). LICENSES ISSUED THIS MARKETING YEAR TOTALED 873,430 M.T. AS OF OCTOBER 11 (REF. B) AS COMPARED WITH ONLY 17,198 M.T. AS OF SEPTEMBER 27. THE OFFICIAL SAID THE COMMISSION WAS NOT UNDULY CONCERNED ABOUT THE LEVEL OF OUTSTANDING LICENSES AS NORMALLY MALT EXPORT CONTRACTS ARE CONCLUDED EARLY IN THE MARKETING YEAR; HOWEVER, THEY DEEMED IT PRUDENT TO PUT THE BRAKES ON THE OUTFLOW OF LICENSES.

3. WITH REGARD TO WHEAT FLOUR, THE OFFICIAL SAID THAT EC EXPORTS HAD BEEN MOVING SOMEWHAT FASTER THAN ANTICIPATED (LICENSES FOR CLOSE TO A MILLION TONS HAVE BEEN ISSUED THUS FAR THIS YEAR) AND THAT THE COMMISSION WISHES TO SLOW DOWN THE RATE OF ISSUANCE OF EXPORT LICENSES. ALSO, RUMORS OF POSSIBLE USSR WHEAT PURCHASES HAD CREATED SOME UNCERTAINTY ON THE WHEAT MARKET EARLY LAST WEEK. HINTON

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## Message Attributes

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**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** EXPORTS, GRAINS, EXPORT SUBSIDIES, SUBSIDIES  
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**Review Markings:**  
Margaret P. Grafeld  
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